

2023

Nassau County, Florida
Board of County Commissioners

Independent Auditor's Report on
Schedule of Activity of Solid Waste
System Disposal Program
Management Escrow Account

September 30, 2023

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA**

**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF ACTIVITY OF SOLID
WASTE SYSTEM DISPOSAL PROGRAM
MANAGEMENT ESCROW ACCOUNT**

FOR THE YEAR ENDED

SEPTEMBER 30, 2023

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Schedule of Activity of Solid Waste System Disposal Program Management Escrow Account	3
Notes to Schedule of Activity of Solid Waste System Disposal Program Management Escrow Account.....	4-5

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Nassau County, Florida

Opinion

We have audited the accompanying Schedule of Activity of Solid Waste System Disposal Program Management Escrow Account (the Schedule) of Nassau County, Florida (the County), as of September 30, 2023, and for the year then ended, and the accompanying notes, as listed in the table of contents.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the transactions in, and the activity of the solid waste system disposal program management escrow account as of and for the year ended September 30, 2023, in conformity with Rule 62-701.630(5)(c) of the Florida Administrative Code and the financial reporting provisions of the Florida Department of Environmental Protection.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw your attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared on the basis of the financial reporting provisions of Section 62-701.630(5) of the Florida Administrative Code and the escrow agreement, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of this Schedule in accordance with the requirements of Rule 62-701.630(5)(c), Florida Administrative Code, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore,

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

To the Honorable Board of County Commissioners
Nassau County, Florida

INDEPENDENT AUDITOR'S REPORT

is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

This report is intended solely for the information and use of the Board of County Commissioners and management of Nassau County, Florida and the Florida Department of Environmental Protection and is not intended to be, and should not be, used by anyone other than these specified parties.



March 12, 2024
Gainesville, Florida

**SCHEDULE OF ACTIVITY OF SOLID WASTE SYSTEM DISPOSAL
PROGRAM MANAGEMENT ESCROW ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2023
NASSAU COUNTY, FLORIDA**

	Old West Nassau Landfill	New West Nassau Landfill	Total
Escrow Balances, October 1, 2022	\$ 45,975	\$ 722,327	\$ 768,302
Transfers in	<u>3,218</u>	<u>50,563</u>	<u>53,781</u>
Escrow Balances, September 30, 2023	49,193	772,890	822,083
(Required Escrow Balances)	<u>(49,193)</u>	<u>(772,890)</u>	<u>(822,083)</u>
Excess Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Escrow Investments Held as Follows			
Truist Bank - Cash	<u>\$ 822,083</u>		
Total Escrow Balance	<u>\$ 822,083</u>		

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
NOTES TO SCHEDULE OF ACTIVITY OF SOLID WASTE SYSTEM
DISPOSAL PROGRAM MANAGEMENT ESCROW ACCOUNT
YEAR ENDED SEPTEMBER 30, 2023**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Nassau County, Florida (the County), is a political subdivision of the State of Florida. The County is governed by an elected Board of County Commissioners (the Board), which is responsible for legislative and fiscal control of the County. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections.

The Schedule of Activity of the Nassau County Landfill Management Escrow Account (the Schedule) is prepared and submitted to the State of Florida Department of Environmental Protection pursuant to Rule 62-701.630(5)(c) of the Florida Administrative Code (F.A.C.) and the Escrow Agreement dated December 13, 2007. The Schedule contains only the escrow balance required by F.A.C. and the Escrow Agreement and is not intended to, and does not, present the financial position of the County's general fund or the County.

Basis of Accounting

The Schedule of the County is prepared and submitted to the State of Florida Department of Environmental Protection pursuant to Rule 62-701.630(5)(c), F.A.C. The Schedule was prepared on the basis of cash receipts and disbursements, which contains only the escrow balances required under F.A.C. and is not intended to present the balance of cash and equivalents, fund balance, or activity for the Board's general fund as a whole.

Basis of Presentation

The financial statements of the County present the financial position and results of operations of the various funds controlled by the County. The solid waste system is accounted for in the Board's general fund. Within this fund, deposits are made to the fund's other cash and equivalents account for the purpose of complying with the escrow requirements of Rule 62-701.630(5)(c), F.A.C. This rule requires the County to annually deposit funds in an interest-bearing escrow account for the purpose of funding the estimated landfill closure and long-term care costs of each of the County's landfills.

Note 2 - Landfill Management Escrow

In accordance with Rule 62-701.630(5)(c), F.A.C., the County has established and funded escrow accounts to demonstrate financial responsibility for the closure and long-term care costs associated with the County's landfills. The County maintains one escrow account for all West Nassau facilities. The escrow account is funded based upon the cost estimates provided by a registered professional engineer.

In accordance with Section 4.05 of Resolution 93-122, as adopted by the County on July 26, 1993, the County provides for the funding of the actual annual long-term care costs of the two landfills that stopped accepting waste (Old West Nassau, West Nassau) during the County's annual budget process. Solid waste system revenues are appropriated annually in an amount equal to the estimate of annual long-term care costs associated with the two landfills that stopped accepting waste.

**BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA
NOTES TO SCHEDULE OF ACTIVITY OF SOLID WASTE SYSTEM
DISPOSAL PROGRAM MANAGEMENT ESCROW ACCOUNT
YEAR ENDED SEPTEMBER 30, 2023**

At September 30, 2023, the escrow balances were based on the following estimates:

	<u>West Nassau Class I</u>	<u>Old West Nassau</u>
Cost of Closing	N/A	N/A
Estimate Design Life Remaining	N/A	N/A
Required Closing Cost	N/A	N/A
Annual Long-Term Care/ Closing Costs	\$ 49,193	\$ 772,890
Additional Amount Required in Escrow Account for Prorated Funding	\$ 3,218	\$ 50,563
Date Landfill Stopped Accepting Waste	10/09	12/93
Florida Department of Environmental Protection Closure Date	03/13	03/97

Note 3 - Restricted Cash

The County maintains one cash account for the two landfills. This cash is considered restricted and is segregated within the County by the use of fund accounting and recorded in the County's general fund. This cash is held in a commercial checking account at Truist Bank. The carrying amount of the County's deposits with financial institutions was \$829,563, and the bank balances were \$822,083 at September 30, 2023. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, the *Florida Security for Public Deposits Act*. Every qualified public depository is required by this law to deposit with the Florida State Treasurer eligible collateral equal to or in excess of the required collateral for the depository. The Florida State Treasurer, by rule, shall establish minimum required collateral pledging levels and shall notify each qualified public depository of its required pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon certain formulas. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA